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C O N F I D E N T I A L SECTION 01 OF 03 BEIJING 006971

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E.O. 12958: DECL: 11/05/2027

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SUBJECT: BEIJING-BASED G-5 CHIEFS OF MISSION ON FRENCH FM
KOUCHNER'S VISIT, BURMA, IRAN, JAPAN, 17TH PARTY CONGRESS.

Classified By: Ambassador Clark T. Randt, Jr. Reasons 1.4 (b/d).

Summary

1. (C) At the November 2 bi-weekly G-5 Chiefs of Mission gathering, French Ambassador Herve Ladsous reported that French FM Bernard Kouchner's visit to China was "extremely successful," with discussions on Burma, North Korea, foreign aid, the environment, human rights and Taiwan. Chief Iranian Nuclear Negotiator Ali Jalali is "obnoxious" and a "true ideologue," according to German Ambassador Michael Schaefer's personal experience. Ambassador Schaefer described fallout from Chancellor Merkel's October meeting with the Dalai Lama. Japanese Ambassador Miyamoto reported on PM Fukuda's domestic issues and assessed the political outcome of the 17th Party Congress as a compromise between Hu Jintao and the Shanghai faction. End Summary.

Participants

2. (C) Japanese Ambassador Yuji Miyamoto hosted German Ambassador Dr. Michael Schaefer, French Ambassador Herve Ladsous, UK DCM Barbara Woodward and the Ambassador November 2 for the bi-weekly G-5 gathering of Beijing-based Chiefs of Mission.

French FM Kouchner's Visit to Beijing

3. (C) French Ambassador Ladsous reported that French Foreign Minister Bernard Kouchner's visit to China was "extremely successful." In honor of Kouchner's birthday, the Chinese presented him with a cake at the farewell banquet. Kouchner met with FM Yang Jiechi for three and a half hours, as well as with International Liaison Department of the Communist Party Central Committee Head Wang Jiarui. Ladsous characterized Wang as "more positive" than Yang. Kouchner will be returning to Beijing with French President Nicolas Sarkozy at the end of November.

Kouchner on Burma

4. (C) During FM Kouchner's discussions with the Chinese about Burma, he emphasized the need to support UN Special Envoy for Burma Gambari and suggested making the Special Envoy position permanent so as to keep lines of communication open with the Burmese Government. Kouchner also suggested creating a "Friends of Gambari" core group, comprising the United States, EU, ASEAN, Japan and China, and urged the use of both sanctions and positive incentives to encourage the Burmese. He suggested the creation of a trust for micro-finance as one potential carrot. Yang responded that Burma needs both development and democracy but especially

development. Chinese EVM Dai Bingguo separately said stability in Burma is its chief concern, according to Japanese Ambassador Miyamoto.

Kouchner on North Korea

¶15. (C) When FM Kouchner raised North Korea, the Chinese responded that they expect a Six-Party Talks Ministerial in "due course" as well the creation of a Northeast Asia Peace and Security Mechanism as a platform for continuing regional security discussions.

Sino-French Discussion on Development Aid

¶16. (C) Kouchner attended the first meeting of a working group on development aid. MFA Director General for International Organizations Wu Hailong headed the Chinese delegation. During the four-hour meeting, the Chinese "mostly listened" during discussions on the administration of development and development procedures, on the importance of transparency and on the Paris Club and debt forgiveness. The French asked to institutionalize the exchange of information between the two countries and invited the Chinese to visit Paris as well as French development projects in Africa.

Kouchner on Environment and Human Rights

¶17. (C) The major topic of discussion during FM Kouchner's visit was the environment, which will also be a major focus of Sarkozy's visit, according to the French Ambassador. Topics of discussion included climate change and sustainable development. Kouchner also presented the Chinese with a list of human rights cases and raised the issue of freedom of the press. He had lunch with several journalists who were chosen

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because they push the boundaries and are "not party hacks."

Kouchner's Visit: Taiwan, Darfur, G-8

¶18. (C) The only time FM Yang showed any anxiety during his meeting with Kouchner, Ambassador Ladsous said, was when Taiwan was raised, reminding Kouchner that "we must be vigilant" regarding Taiwan. Kouchner expressed gratitude that China had taken a "more forward leaning" position on Darfur over the past months. Yang expressed gratitude that Sarkozy had "offered to extend the G-8" to include China (NFI).

Sarkozy's Visit

¶19. (C) French President Sarkozy will meet Chinese Premier Wen Jiabao during Sarkozy's state visit November 26-27. He will meet Wen twice again in the coming year: during France's chairmanship of the EU and at the ASEM summit. These visits will provide an opportunity for Sarkozy to "deepen his friendship" with Hu that started during the G-7 summit in Heiligendamm, Germany, June 6-8. In addition to Beijing, Sarkozy will also visit Xi'an and Shanghai. Senior Diplomatic Advisor Jean-David Levitte will visit Beijing next week to finalize the details of Sarkozy's visit.

Iranian Nuclear Negotiators

¶10. (C) According to French Ambassador Ladsous, at the "last meeting" with Iran on the nuclear issue, newly appointed Chief Iranian Nuclear Negotiator Ali Jalali did not speak; instead, previous Chief Nuclear Negotiator Ali Larijani did all the talking. German Ambassador Schaefer stated the he knows Jalali personally from his previous assignment as Political Director of the Federal Foreign Office. He characterized Jalali as "obnoxious" and "a true ideologue" and said that the current situation of having two negotiators springs entirely from struggle between Ahmedinejad and Rafsanjani.

German Dalai Lama Fallout

¶11. (C) German Ambassador Schaefer reported that October was "Dalai Lama Month," as the Chinese cancelled all major visits. Thirty-five Chinese CEOs slated to visit Frankfurt cancelled their trip, as Frankfurt is the home of the President of the German state of Hesse, who is known to support the Dalai Lama, information specifically included in the Chinese letter explaining their cancellation. Japanese Ambassador Miyamoto said that the Dalai Lama will visit Japan for a seminar, and VFM He Yafei has warned him against any government figures meeting the Dalai Lama. Ambassador Schaefer said the German company ThyssenKrupp held a technical fair in Shanghai that was "well attended." A second German-sponsored fair, "The German Vision of Urbanization," was part of a three-year program in advance of the World Expo and was attended by 25 German companies. The motto of the fair was "Better Cities Make Better Lives." Schaefer said that despite excellent attendance and positive reviews, the event got little press, as journalists were instructed to downplay the event. It is unclear if these instructions stemmed from the Dalai Lama meeting.

German High-Level Visitors

¶12. (C) German Finance Minister Peer Steinbrueck will be visiting in early December to discuss currency issues. German Environment Minister Sigmar Gabriel will visit after the Bali Meeting in late January or early February to discuss technical cooperation.

British High-Level Visitors

¶13. (C) Lord Mayor of London John Stuttard visited China and Korea October 16-28 and in China discussed financial services liberalization, as well as the establishment of a training services center in Tianjin. UK Secretary of State for Innovation, Universities and Skills John Denham visited Beijing October 29-November 2 and officially opened the Beijing office of the Research Councils UK. The four-million-pound project will promote innovation, research and exchanges between China and Britain. Foreign Secretary David Miliband will visit in advance of early 2008 visits by Prime Minister Gordon Brown and Chancellor of the Exchequer Alistair Darling.

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Zhang Yan Pessimistic on IAEA Process for Iran

¶14. (C) MFA Arms Control Department Director General Zhang Yan will represent China at the P5-plus-1 Political Directors Meeting in London November 2. German Ambassador Schaefer is a friend of Zhang from his previous position as Political Director in Berlin. Schaefer said that in personal, off-the-record conversations, Zhang indicated that "Iran is prepared for a third resolution," but that China hopes to get more results from the IAEA process. Zhang himself, however, is quite skeptical of the IAEA process and does not think it will produce results. Regardless, Zhang agreed with Ambassador Schaefer that the six countries must be united to make a difference.

Japanese Prime Minister's Domestic Issues

¶15. (C) Japanese Ambassador Miyamoto said that Prime Minister Fukuda is currently embroiled in domestic politics. One of the items being discussed is the refueling of ships for Operation Enduring Freedom in Afghanistan. Fukuda will meet with opposition leader Ichiro Ozawa to see if a compromise can be reached. China wants Fukuda to visit and has suggested dates. Fukuda expressed interest but will be unable to come due to his current preoccupation with domestic political issues.

17th Party Congress: Japan's Assessment

¶16. (C) Japanese Ambassador Miyamoto said the results of the 17th Party Congress reflected President Hu Jintao's character as a "middle of the roader" unlikely to "push anyone into the corner." On policy, Hu achieved all of his goals, including the incorporation of his Scientific Development concept at the end of his first term. Previous leaders were only able to promulgate their ideological innovations in the Party Constitution at the end of their second terms. Miyamoto noted that the Party Congress "followed all the rules," such as the principle of "Seven up, Eight out," in an effort aimed at institution building. This is being done with an eye on the next big transition, to take place in five years.

¶17. (C) On personnel, the Japanese were surprised at the ouster of VP Zeng Qinghong. Miyamoto noted that two members of the Shanghai faction (He Guoqiang and Zhou Yongkang) were given positions in the investigative, prosecutorial and legal lines, which he analyzed as a "defensive compromise" that allowed Hu to achieve all of his policy aims, but gave the Shanghai faction protection from future corruption investigations.

New Discipline and Inspection Mechanism

¶18. (C) Discipline and inspection committees are now being sent all around China to form permanent surveillance teams, according to Miyamoto. The teams comprise "outsiders" (that is, no one from Hubei, for example, would be allowed to perform an inspection in Hubei Province), which is a change from past policy, when the local party secretary had authority over discipline and inspection activities.

Japan: Nanjing War Memorial is Incorrect

¶19. (C) The Japanese have presented information and "evidence" to the Foreign Ministry that purports to show that some of the exhibits in the War Museum in Nanjing are in fact false, according to Ambassador Miyamoto. This evidence did not get any traction in the MFA, but Communist Party Central Committee International Liaison Department Head, Wang Jiarui, said he would look into the matter, prompting Miyamoto to label him "an interesting person."
Randt